GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:6040
ANSWERED ON:31.08.2001
RESTRUCTURING ANDREW YULE AND COMPANY LIMITED
JASWANT SINGH YADAV;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have any proposal to restructure the Andrew Yule and Company Limited;

(b) if so, the details thereof;

(c) whether any High Power Committee has been set up in this regard;

(d) if so, the details thereof; and

(e) the time by which the Committee is likely to submit its report?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): Yes, Sir. In the year 1997-98, Government had approved a financial and business restructuring based on the turnaround strategy formulated by the SBI Capital Markets Limited.The restructuring package included infusion of Rs.44 crores, conversion of outstanding loan of Rs.12.49 crores into equity and spinning off of the Belting and Engineering Divisions into JVs. The financial restructuring was implemented and JV formation completed in respect of the Belting Division. Efforts for JV formation for the Engineering Division did not succeed.

With the objective of maximizing the value of shareholders of AYCL, the Company engaged M/s. KPMG India Pvt. Limited in April, 1999 to advise further restructuring of the AYCL Group.

(c) to (e): Yes, Sir. Department of Heavy Industry constituted a committee under the Chairmanship of the Additional Secretary & Financial Advisor to examine the recommendations of the consultant. The Committee has submitted its first report on major issues and its final report is expected shortly. As per recommendations, the Government has decided to rationalize the cross holding of equity in the AYCL Group, undertake disinvestments in Hoogly Printing Company Limited and Tide Water Oil Company (India) Limited and enhance AYCL`s stake in DESCON Ltd. A revival plan of the Engineering Division of AYCL is under implementation with a view to facilitate the JV formation.